

EXHIBIT L

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

IN RE:

FEDERAL MOGUL GLOBAL INC., et al.,

Debtors.

**CHAPTER 11
Case No. 01-10578 (RTL)
(Jointly Administered)**

VOLUME 2

**WITNESS
Mark Peterson, Ph.D.**

**DATE
May 26, 2005**

**LOCATION:
Washington, DC**

**TAKEN BY:
Weil Gotshal & Manges**

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1 expensive for plaintiffs' lawyers, and for them
2 to undertake the expense of it they need to have
3 some assurances that they're going to get a
4 return on their investment, and that certainty
5 is no longer there. So I think there's probably
6 been a reduction in the screening activities, as
7 well as some of the other investment efforts on
8 the part of plaintiff's lawyers to recruit
9 cases.

10 Now, at least Manville's experience
11 is there has been some return of the increase in
12 claimings this year from the prior year, and
13 that may reflect that some law firms are
14 beginning to look at that, but I have no direct
15 evidence.

16 Q. Do you have any indication that some
17 of the allegations about the conduct of doctors
18 who participated in mass screenings has affected
19 the use of that technique at all?

20 A. There's no evidence one way or
21 another about that. It could have an impact, it
22 might not have an impact. It could have it
23 because it may make some law firms gun shy. I
24 would expect it wouldn't have a big impact
25 because over the long run, you certainly had one

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1 for now -- I think another reason why you have
2 this kind of temporary suppression of claims at
3 this point in time, because it's sent out a
4 specter about this process of having medical
5 reviews.

6 But I think that as time goes by, if
7 the legislation doesn't pass, a lot of law firms
8 are just going to have different outfits do the
9 screening and get back into it. Whether they'll
10 get back into the level they were before, I
11 don't know. But I would expect it would return.
12 If it makes money, people will do it. They'll
13 do it with different docs, and hopefully better
14 docs.

15 Q. Let me switch gears for a moment and
16 ask you about the epidemiological models. I
17 know we talked about this a little bit the last
18 time you were here for a deposition.

19 I understand you used the Nicholson
20 model in your forecast, and you do a sensitivity
21 on the KPMG model; correct?

22 A. Yes.

23 Q. You've indicated, I believe, in your
24 rebuttal report that Nicholson is the only model
25 that is peer reviewed. Is that correct?

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1 A. Yes.

2 Q. But you, yourself, have used the
3 KPMG model in the past; isn't that right?

4 A. Yes.

5 Q. Why do you criticize Dr. Cantor for
6 using a non-peer reviewed model when you,
7 yourself, have used them in the past, and in
8 fact use one for a sensitivity in your report?

9 A. Well, it's an apples and oranges
10 kind of thing. Although Dr. Vasquez's work on
11 the KPMG model -- and his colleagues -- was not
12 peer reviewed, you can test it. It has been
13 tested against the SEER data. And while it's
14 not as good as the Nicholson model, the
15 Nicholson forecast, it's relatively
16 well-confirmed empirically. So it's a tested
17 model. Even though it's not empirically
18 reviewed -- excuse me. Even though it's not
19 been peer reviewed, it's had some demonstration
20 of empirical validity.

21 And also the KPMG model was rather
22 thoroughly discussed and explained when it was
23 introduced in the 2002 -- the 1992 reports that
24 KPMG provided in the National Gypsum bankruptcy.
25 So we understood what the model was doing and

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1 how it operated.

2 The model here by Navigant, it's not
3 explained. We don't know what it is. There's
4 been no description of it. It's undertaken by a
5 group of people that have no evidence of any
6 skill in this area. And indeed the rest of
7 Dr. Cantor's report suggests a lack of knowledge
8 about asbestos litigation that's rather
9 shocking, and demonstrates an unfamiliarity with
10 matters that don't suggest -- don't cause one to
11 have much confidence in it, and it's not been
12 tested, it's not been used by anyone, it's not
13 been accepted by anyone. All of those things
14 differentiate it from KPMG.

15 It's an unexplained,
16 non-transparent, unsubstantiated, untested piece
17 of work. It's a proprietary piece of work. You
18 may as well just say I'm going to pull this out
19 of the sky and use it.

20 Q. How does it differ, how does the NCI
21 epidemiological forecast differ from KPMG?

22 A. I don't know, because they've never
23 explained it. Science requires you to --
24 requires transparency. You need to explain what
25 you've done, so that -- and test it -- so that

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1 here, to what Dr. Dunbar was doing here.

2 Q. Would it be correct to summarize
3 your approach in the T&N case as departing from
4 the historical values when you view the future
5 as likely to represent an increasingly
6 problematic world for the defendant? Is that a
7 fair assessment?

8 MR. FINCH: I object to form.

9 A. No, I don't think that's correct. I
10 wouldn't agree with that.

11 Q. Isn't that what you do in this case?

12 A. No.

13 Q. Don't you increase your -- increase
14 your forecast resolution values above what was
15 actually observed in T&N's past, because you
16 think T&N's future was going to be harder for
17 it?

18 MR. FINCH: I object to form.

19 A. Can you read the question, please?

20 (The Reporter read back as follows:

21 "Question: Don't you increase
22 your -- increase your forecast resolution
23 values above what was actually observed in
24 T&N's past, because you think T&N's future
25 was going to be harder for it?")

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1 A. I based my forecast of the amounts
2 that Turner & Newall would have to pay to
3 resolve pending and future claims on the actual
4 experience that Turner & Newall had prior to the
5 bankruptcy.

6 Q. But you didn't use the actual claim
7 values that you observed prior to the
8 bankruptcy?

9 A. My forecasted values were based upon
10 the actual amounts that they paid in the past,
11 plus the trends in the payments they were
12 making, plus the relative amounts of the
13 payments that they had. It was all derived from
14 the actual experience of -- of Turner & Newall
15 prior to the bankruptcy, and all I was doing was
16 the most reasonable thing to do, was to extend
17 into the future a continuation of the past
18 trends that Turner & Newall had experienced with
19 regard to its settlement amounts. Which is
20 precisely the same thing that Dr. Cantor
21 attempted to do with the mesothelioma claims,
22 and if she correctly analyzed the lung cancer
23 claims, it would have been what she had done
24 there, too.

25 Q. Do you or do you not offer as

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1 justification for your claim values in your
2 forecast your hypothesis that the litigation
3 environment was going to become more difficult
4 for T&N after the bankruptcy?

5 MR. FINCH: Can I hear that back?

6 (The Reporter read back as follows:

7 "Question: Do you or do you not
8 offer as justification for your claim
9 values in your forecast your hypothesis
10 that the litigation environment was going
11 to become more difficult for T&N after the
12 bankruptcy?")

13 A. I have three comments -- three
14 answers to that question. The first is that I
15 explained -- it's not a justification, it's an
16 explanation -- I explain why the settlement
17 values against Turner & Newall for mesothelioma
18 and lung cancer had begun to increase
19 substantially in 2001 compared to its prior
20 settlements, and I explain why that would have
21 continued in the future. An explanation, it's
22 not a justification. The explanation describes
23 both the reason for the past observed increases
24 as well as why those increases would continue
25 to -- to occur.